



CHAIRMAN

Federal Communications Commission

Washington, D.C.

January 05, 2004

VIA FACSIMILE

The Honorable Armi Jane Borje
Commissioner, National Telecommunications Commission
BIR Road, East Triangle, Diliman, Quezon City
Metro Manila Philippines

Dear Commissioner Borje:

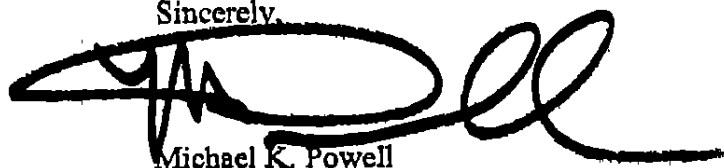
Thank you for your letter of November 20, 2003. I share your assessment that progress has been made to restore telecommunications services between the United States and the Philippines. I hope that continuing negotiations between U.S. and Philippine carriers will be successful.

As you noted, the Federal Communications Commission (FCC) promptly lifted the stop payment order imposed on Smart Communications, Inc. (Smart) by the International Bureau's March 10, 2003 Order (March 10 Order). The Bureau lifted this condition after all of the U.S. carriers who had experienced circuit disruption on their circuits with Smart notified the Commission that their circuits had been restored. We will follow this same process, on a carrier-by-carrier basis, for all other Philippine carriers affected by the stop payment remedy. Thus, we will promptly lift the stop payment order for each Philippine carrier upon confirmation from all affected U.S. carriers that their circuits have been restored by the Philippine carrier in question. As noted in the Bureau's March 10 Order, upon resumption payments, we expect U.S. carriers to comply with their legal contractual obligations respecting services rendered prior to February 1, 2003, including back payments that may be owed to Philippine carriers.

In addition, as I stated in my October 15, 2003 letter, the FCC will consider pending applications for review of the Bureau's March 10 Order, including the issue of enforcing the International Settlements Policy on the U.S.-Philippines route once all the Philippine carriers restore circuits, and exchange of traffic and payments is resumed.

I am confident that all interested parties can work together to resolve these outstanding problems. Please contact me if you have any questions.

Sincerely,



Michael K. Powell